

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

*Jeas Rec'd
CK# 039865
Credited toward
2000-2001 FY.*

"AMENDED"

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Honey Onyx
2. Name of Operator/Applicant: A & R Leasing, L.L.C.
Company () Corporation ☒ Partnership () Individual ()
3. Permanent Address: 688 East Chad Ranch Road
City: Veyo State: UT Zip Code: 84782
Telephone Number: (435) 574-9300 Fax: 435-574-9333

4. Ownership of Land Surface:

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐

State Trust Land/School Sections ☒ State Sovereign Lands ☐

Other (please describe): Surface Owners: John E. & Colleen L. Ingram

Name <u>J.E. & C.L. Ingram</u>	Address <u>156 N. 400 W., Nephi, UT 84648</u>
Name _____	Address _____
Name _____	Address _____
Name _____	Address _____

RECEIVED

MAY 25 2000

DIVISION OF
OIL, GAS AND MINING

5. Ownership of Minerals:

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐
 State Trust Land/School Sections ☒ State Sovereign Lands ☐
 Other (please describe): Surface owned by J.E. & C.L. Ingram

Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____

Utah Mining Claim Number(s): —

Utah State Lease Number(s): Pending ^{6/6/00} ML 48486 MP

Name of Lessee(s) A & R Leasing, L.L.C.

6. Have the above surface and mineral owners been notified in writing?
 Yes X No —

If no, why not? _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No —

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): Juab

____ 1/4, of SW 1/4, of NE 1/4: Section: 16 Township: 13 S. Range: 1 W.
 ____ 1/4, of SE 1/4, of NE 1/4: Section: 16 Township: 13 S. Range: 1 W.
 ____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____

UTM East ^{Circa} 1,877,500 (if known) UTM North 491,700 (If known)

Name of Quad Map for Location Sugarloaf, Utah

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) must be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: Limestone
3. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?
Yes ☐ No ☒
4. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Mining of the limestone (onyx) from a circa 6' wide vein will be done using a backhoe and front-end loader. The mined material will be loaded onto dump trucks for shipment to stockpile and facilities in Vego, UT for sorting for size and packaging. Since the annual production is expected to be 75 to 100 tons no onsite facilities are required
5. ☐ New Road(s): Length (ft) Width (ft)
6. ☐ Improved Road(s): Length (ft) Width (ft)
7. Total project surface acreage to be disturbed: 1 to 2 (acres)
8. Proposed startup date of project (month, year) June 2000 if permits & leases have been approved
9. Proposed completion date of project, if known (month, year)? June 2005

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.

6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. **VARIANCE REQUEST** (Rule R647-3-110)

Yes ☐ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>

VI. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(I)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention and annually thereafter.

Small Mining Notices require a \$100.00 fee which must accompany this application.

VII. **SIGNATURE REQUIREMENT**

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant:

Name (typed or printed):

Title/Position (if applicable):

Date:

Russell C. Felber

Russell C. Felber

Manager / member

5/23/00

A & R Leasing, L.L.C.
688 East Chad Ranch Road
Veyo, Utah 84782

May 16, 2000

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION
NOTICE OF INTENT TO COMMENCE
MINERAL EXPLORATION/MINING

- (a) Mineral exploration plans of operation shall contain all of the following.

Not applicable as no exploration is required or proposed.

- (b) Mining or mineral resource extraction plans of operation shall contain all of the following:

i) Names, addresses and telephone numbers of the applicant, the operator and lessee.

The Lessee of the property is:

A & R Leasing, L.L.C.
688 East Chad Ranch Road
Veyo, Utah 84782.

Their Telephone Number is 435-574-9300

The Operator of the property is:

Feller Stone, Inc.
~~A & R Leasing, L.L.C.~~
688 East Chad Ranch Road
Veyo, Utah 84782.

Their Telephone Number is 435-574-9300.

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ii) A general description of geologic conditions and the mineral resource, with appropriate maps, within the area where mining is to be conducted.

The Utah State Lease included in this Notice of Intent is:

The SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, in Township 13 South, Range 1 West, SLB&M as illustrated on the appended Sugarloaf, UT 7 $\frac{1}{2}$ Minute USGS Quadrangle.

The area of the lease is on low rolling hills with outcropping Flagstaff Limestone and Golden Ranch Formation. The Limestone (Onyx) occurs in a nearly vertical vein that appears to be near or along the contact between the two formations.

There are no surface waters within or in vicinity of the Permit.

iii) A proposed description of the mining operation to include the following:

a) Estimated location, quantity, size and extent of the mineral deposit and an analysis of the minable reserve base.

Mineable material is within a nearly vertical vein that varies in width of four to six feet. The mineable portion on the contained material may approach 2,000 tons.

b) Analysis of the physical and chemical characteristics and quality of the mineral resource to be mined.

Although a mineral assay has not been made on the material to be mined, a visual inspection indicates that the limestone (onyx) material is principally calcium carbonate with some minor iron staining and coloration.

c) Methods of mining including basic equipment to be used, mining factors or limitations, mining sequences, production rates, recovery factors mining depths stripping ratios, highwall limits and acreage to be affected.

Recovery of surface exposed limestone will be conducted by mining along the strike of the existing vein. Mining depth is limited to the length of the backhoe boom to be used in the mining process. The outcropping vein extends about 400 feet east from where previous mining of the vein was conducted near the central portion of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16.

Mining will be conducted on an as needed basis. An estimated production of 75 to 100 tons per year is scheduled in the term of this Minerals Permit. Material will be mined using a backhoe and loaded onto dump trucks to be shipped or stockpiled for future shipments. Loading may require the use of a front-end loader.

Access to the proposed mine will be on existing roads and trails. Minimal disturbance of the surface is anticipated as mining will be conducted along the strike of the narrow vein.

It is anticipated that one acre, more or less may be used in the mining and potential stockpile/loading area.

d) Methods of materials handling including, separating, washing, crushing grinding beneficiating, weighing, measuring and stockpiling of ores and products.

As stated, the limestone (onyx) will be mined and hauled to the loading/stockpile area. Loaded material will be hauled to Veyo, Utah to the Plant for sizing and packaging for sale.

e) The method of abandonment of operations, protection of unmined recoverable mineral resources, and reclamation of mined lands.

It is anticipated that mining will be conducted as an ongoing operation for the next two or three years. Reclamation at the end of the mine cycle includes knocking down the high walls along the trench and distributing the saved topsoil over the reclaimed surface. The proposed mine will recover the limestone (onyx) that is within reach of surface operations. The subsurface material will be protected by the reclamation proposed.

Reclamation will be accomplished at the end of the mining operation upon the completion of the recovery of needed limestone. Reclamation measures will include smoothing and shaping any disturbed areas. As the proposed recovery area is limited to the vein along the outcropping exposure, and the sidewalls of the vein are very stable, mitigating measures needed to prevent landslides and erosion will not be required.

Reasonable measures will be taken to prevent unnecessary or undue degradation of State lands during this mining operation.

Access routes are existing roads or trails and they will be maintained to a minimum width needed for the operation and will follow the existing contours where practicable. The recovery of this limestone deposit requires the removal of some overburden and topsoil on portions of the vein and the adjacent mine area. Topsoil and usable subsoil will be saved for use in the reclamation of the mine area upon completion of the mine operations.

Present plans do not envision the need for or storage of toxic material or equipment, nor the construction of any buildings on the project. A fence will be constructed around the mine trench if the mine operation is temporaly suspended or unattended.

The mine area will not disturb any known fisheries and will only minimally disturb any potential wildlife habitat.

Notification will be made to the authorized officer upon completion of recovery process and any needed reclamation of the site.

iv) Maps and cross sections as follows at a scale that is sufficient to show the information in adequate detail for review by agency.

a) A plan map of the area to be mined including lease boundaries, boundaries of approved logical mining units, surface improvements and surface ownership boundaries, outcrops of the mineral resource showing dips and strikes and locations of existing and abandoned mines.

Appended is a copy of the Sugarloaf, Utah USGS 7½ minute Topographic map illustrating the boundary of the Minerals Permit within which contains the vein to be mined.

b) Isopach maps of the mineral deposits and of the overburden and interburden.

Mining will be conducted along about 400 feet of the vein to a depth of about 8 to 10 feet. Overburden to be removed is minimal as the vein is exposed at the surface. The strike of the vein is N 80 degrees E from the mine symbol in the eastern portion of the SW¼NE¼ of Section 16.

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c) General layout of proposed surface or strip mining including planned sequences of mining, cross sections of typical pits showing highwalls, fenders and spoils configurations.

Not applicable as recovery of resource does not require stripping or spoil piles.

d) General layout of proposed underground mining ---.

None proposed.

e) General layout of proposed auger mining including the area ----.

None proposed.

v) An explanation as to how maximum economic recovery of the mineral resource located upon the leasehold will be achieved by the mining operation.

As there is a limited market for limestone (onyx), maximum economic recovery of the mineral resource is dependant on sales. A & R Leasing L.L.C. has an aggressive marketing group however, sales depend on the available market demand for this product.

vi) A general reclamation schedule for the life-of-the-mine.

Mining is limited by the small annual production and will disturb a small acreage at the site, the reclamation will be conducted at the end of the mining cycle.

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vii) The name and address of the surface owner and evidence that applicant has notified the surface owner of the intent to commence mining.

The surface owner of the Permit is:

Mr. John E. and Colleen L. Ingram,
150 North 400 West
Nephi, Utah 84648

They were notified by Mr. Russell C. Feller in person that A & R Leasing L.L.C. intends to commence mining upon issuance of the State Lease and issuance of the Mine Permit.

The terms discussed at the meeting confirmed in writing

vii) Evidence that the applicant has notified the Utah Division of Oil, Gas & Mining of the intent to commence mining.

A copy of this Plan of Operations - Notice of Intent to Commence Small Mining Operations will be sent to the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining. A copy noting the receipt of and approval A & R Leasing L.L.C.s' Intention to Commence Small Mining Operations will be forwarded to the State of Utah SAITLA when received.

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ix) Such other relevant information as may be required by the School and Institutional Trust Lands Administration to review the proposed plan of operation.

The appended topographic map and photographs illustrate the surface condition in the immediate area of the subject lease. The photographs, along the strike of the vein, show the previously mined and reclaimed areas including some of the prospect pits along the proposed mine site.

(c) A cultural resource survey of the lands to be effected by mineral exploration/mining may be required at the expense of the lessee or operator. Required cultural resource surveys ---.

Note - Because of topography, surface rock outcrops and the remoteness from water it is not probable that this area contains any cultural resource.


(d) Seismic, core and other exploratory or monitoring holes must be plugged ----.

No drill holes have been used and none are contemplated in the mining of this mineral resource.

(e) Prior to the commencement of any mineral exploration of (sic) mining operations upon lands under a state mineral lease, the lessee or designated operator must post an operations bond ----.

An Operations Bond, in the amount required, will be obtained upon issuance of the Mineral Commodity Materials Permit .

Sincerely,

A handwritten signature in blue ink, appearing to read "Russell C. Feller", written over a horizontal line.

Russell C. Feller

~~President~~, A & R Leasing, L.L.C.

Manager/Member

PHOTOGRAPH LOCATION MAP

Photograph location map on the central portion of the Sugarloaf, Utah 7½ minute USGS Quadrangle for the limestone lease in the SW¼NE¼ & SE¼NE¼ of Section 16, T. 13 S., R. 1 W., SLB&M. showing surface disturbances.

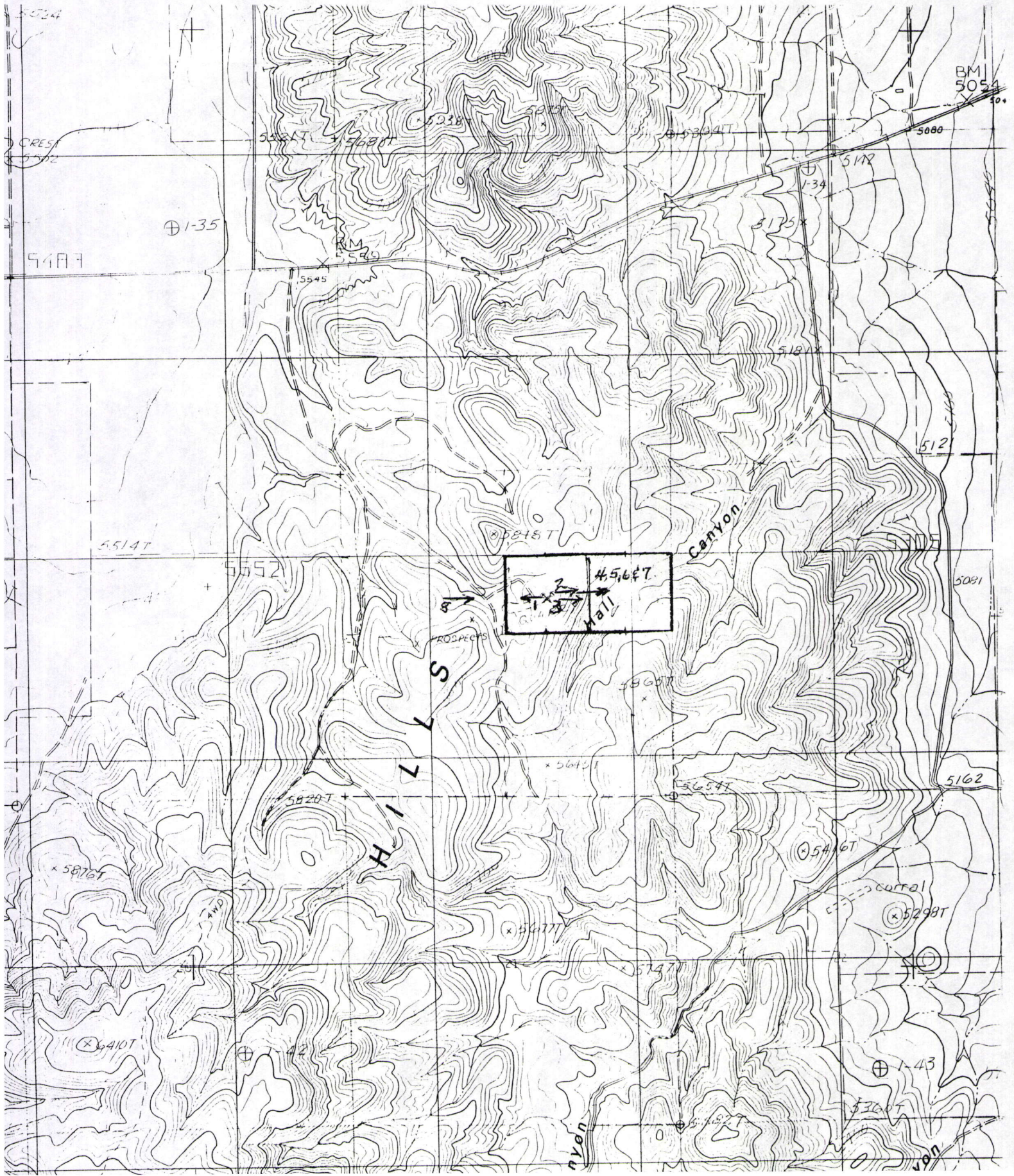




Photo 1 - Looking west from the eastern end
of previous mining operations.
Photo sites shown on topo map.



Photo 2 -- Looking east along the strike of
the vein at the east end of old
mining area. About 130 degrees
from Photo 1.



Photo 3 - Looking easterly along vein in the area to be mined.



Photo 4 - Existing prospect pit exposing the vein. Near center of east side of SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16.



Photo 5 - Looking east along strike of vein
showing small prospect pit.



Photo 6 - Looking east at area mined on the
eastern end of the vein exposure.
Note Sanitary Landfill to the east.



Photo 7 - Notice older dump from previous mining. Nephi Sanitary Landfill in the background.



Photo 8 - Looking east from just west of the west side of SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16.

5/023/027

July 14, 1999
Mineral Actions
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TRUST LANDS
ADMINISTRATION

Approve TSJ DT
Deny _____

EXPIRATION OF METALLIFEROUS MINERALS

The Metalliferous Mineral lease listed below has reached the end of its term and expired on the date listed. This lease should be terminated

ML 44409

IUC Colorado Plateau, LLC
1050 17th Street, Suite 950
Denver, CO 80265

T33S, R26E, SLB&M
Sec. 16: All

San Juan County
640.00 acres

FUND: SCH

Expiration Date: June 30, 1999

TRUST LANDS
ADMINISTRATION

Approve TSJ DT
Deny _____

EXPIRATION OF MATERIALS PERMIT

The materials permit lease listed below has reached the end of its term and expired on the date listed. Mr. Blake recommends that this lease be terminated.

ML 47767-MP

Russell Feller
688 E. Chad Ranch Rd.
Veyo, UT 84782

T13S, R1W, SLB&M
Sec. 16: SW $\frac{1}{4}$ NE $\frac{1}{4}$

Juab County
40.00 acres

Fund: SCH

Expiration date: July 9, 1999